

Methodology

Task 1: Scope, Define & Cost Infrastructure Project

A. Project kick-off. The ECONorthwest Team would meet with City staff to discuss the details of the project scope of work and schedule. At this meeting, the City would bring ECONorthwest up to speed on the project, identifying key questions that need to be answered, and areas where general consensus has already been reached. This is an additional subtask, not stated in the IRFP.

B. Preliminary engineering. We would work with the City, building off of the 2014 Fields Property Study to identify specific infrastructure projects that are anticipated to be needed for development of the site. These would include both on- and off-site projects, including transportation, water, and sewer projects. We would provide preliminary engineering for each project, in sufficient detail to provide cost estimates. Note that engineering analysis for infrastructure on Fields Industrial Property should provide a higher level of detail than surrounding area.

Note that the 2014 Fields Property Study did not conclusively identify the specific infrastructure improvements needed for the site. Choices remain on which potential road alignments, intersection improvements, and other projects are most critical to stimulate development of the Fields Property and surrounding area. During this task, we would review supporting documents and solicit input from City staff and key stakeholders, and make a recommendation to the City on which specific infrastructure projects should be included in the Site-Specific Infrastructure Plan, based on the expected ability of the projects to leverage private investment. In short, we will determine which projects will give the City the most bang for their buck, and these projects will be the subject of the preliminary engineering analysis.

For the Fields property, we will advance an estimate based on known conditions, ranging from the slopes and soils conditions to specific planning around the rail spur and adjacent business access. As related to off-site improvements or work extending beyond our set of existing data, we will work with the City's Master Plans and work recently provided by others related to nearby developments to provide cost impacts.

C. Cost estimates. We would provide cost estimates for the infrastructure improvements documented in the Task 1.B. The cost estimates would be in current, 2014 dollars, including an inflation schedule for future years, so that project costs can easily be adjusted for inflation if the project schedule changes. After providing the City with the opportunity to review and comment on these cost estimates we would convene an Advisory Committee, comprised of property owners, prospective developers, and infrastructure providers. These cost estimates would be shared with the Advisory Committee, and revisions to the cost estimates or the project list would be made based on feedback. For additional information on the Advisory Committee's role on the project, see Task 4.

Historically, Mackenzie has completed a range of projects spanning both public works and private development. Their experience on those projects lends them a database of construction costs and a network of contacts to utilize in their estimates. Their recent public projects, which includes a wide assortment of types from industrial collectors to green street improvements, have shown their preliminary estimates to be in line with contractor bidding. The goal is always to set a reasonable and practical budget such that the City can plan appropriately.

Task 1 Product: Identification and description of infrastructure projects with cost estimates

Meetings (2):

Kick-Off Meeting with City Staff

Advisory Committee Meeting #1

Budget: \$11,500

Schedule: April – May

Task 2: Infrastructure Finance Plan

D. Infrastructure finance plan template. We would create a generic model “infrastructure finance plan,” which would serve two purposes: (1) The document could be re-used by similar cities with challenging development sites, providing a template for solving infrastructure funding issues. (2) The document would serve as an outline for the Infrastructure Finance Plan, showing the City all of the topics that would be covered, the steps in the analysis, and the format of the final report. This document would include a tool (like a PERT chart) to track agreement from public- and private-sector partners on roles and responsibilities.

E. Determine funding roles and responsibilities. The Advisory Committee would be convened a second time to discuss the “fair share” of project costs that should be borne by all parties. This conversation would be informed by estimates of SDC and TDT revenue (and any other development derived funding sources that may be available for these infrastructure projects). After agreeing on a high-level, draft funding strategy, we would analyze and document the public and private sector actions, costs, benefits and fiscal impacts.

The IRFP also requests that an economic impact analysis be included as part of this task.

ECONorthwest has conducted hundreds of economic impact analyses for all types of economic activities. For a complete economic impact analysis, we would use an input-output modeling program called IMPLAN to map expenditures in hundreds of specific industry sectors, and model the economic impacts as those expenditures ripple through the local economy. Such analysis would require a level of effort that cannot be achieved with the limited project budget. Moreover, such analysis is unnecessary at this time, as the cost estimates are too preliminary and too high-level to provide sufficient detail, regarding the breakdown of expenditures by industry sector.

What we could do, however, is leverage our experience on other economic impact studies in the region to identify the appropriate multipliers (i.e., how many direct, indirect, and induced jobs are created for every \$1 million spent on new construction and infrastructure), and provide estimates of the total jobs and spending that would be created by the project. This approach will result in summary tables showing the number of jobs, personal income, and economic output generated from

short-term construction impacts, as well as ongoing operating impacts from new development. Additionally, we will estimate the property tax revenues that would be generated from development on the site, including impacts to the City of Tigard, and other affected taxing districts.

F. Infrastructure finance plan. The final step in this task is writing the Infrastructure Finance Plan. This would include taking general funding responsibilities and refining them into specific financing tools, showing how much revenue would be generated by each tool, each year, and when each infrastructure project could be funded based on those revenue projections. At the second Advisory Committee meeting, we would provide the group with an overview of their numerous financing tools and funding sources available for the project. We would quickly lead the Advisory Committee through a group discussion to whittle down the list of potential tools to focus only on those tools with the greatest applicability to these projects. Following the second Advisory Committee meeting, we would create a detailed financing plan, using the tools identified by the group.

The draft infrastructure finance plan would be reviewed by the City, and we would make whatever revisions are necessary based on City feedback. We would then convene the Advisory Committee to review the draft finance plan.

Task 2 Products:

*Infrastructure Finance Plan Template Infrastructure Finance Plan
(Draft and Final)*

Revenue forecasts

Meetings (2):

Advisory Committee Meeting #2

Advisory Committee Meeting #3

Budget: \$10,790

Schedule: June – July

Task 3: Infrastructure Memorandum of Understanding

G. Infrastructure finance memorandum of understanding (MOU) template. The IRFP requests that the Infrastructure Finance Plan be implemented through a formal development agreement. Development agreements are legally binding documents that obligate each party to honor commitments or suffer penalties. As such, they take lots of time and expense to negotiate (particularly if there are numerous parties involved). These development agreements are frequently amended over time, requiring additional time and expense. Development agreements also require attorneys fees for each party involved, which adds considerable expense, beyond the budget that has been identified for this project. Given the City's limited budget, we recommend negotiation of a rigorous MOU instead of a development agreement. An MOU, while lacking the legally binding obligations of a development agreement, still accomplishes the same key objectives: Getting the public- and private-sector partners to agree on the pivotal business points.

We would create a template/reusable model for an infrastructure finance MOU that can be used by other communities to commit public- and private-sector partners to their agreed upon roles and responsibilities in financing infrastructure for new development. We would begin by collecting examples of similar agreements that have been used on successful projects in the region. After reviewing these example agreements, we would create a new MOU, building upon the strengths of each of the documents we will have reviewed. Note that the City Attorney's Office will likely want to participate in this task, reviewing our draft infrastructure finance MOU template, and ensuring that the document adequately protects the City's interests. This template document will also serve as an outline for the Fields Property infrastructure finance MOU that would be created in the next subtask.

H. Infrastructure finance MOU. Based upon the template created in Task G, we would prepare a public infrastructure finance MOU for use by the City and its private sector partners. A fourth Advisory Committee meeting would be held to review the draft MOU with all public- and private-sector partners. It is possible that not all parties may be satisfied with the agreement, and some may want extensive negotiations and revisions to the language in the agreement before they are willing to sign onto it. The amount of time required for these negotiations is impossible to estimate at this time. Given the fixed-fee nature of the contract, we cannot promise to be heavily involved in whatever negotiations may be required. Any negotiations that would need to occur outside of the specified Advisory Committee meetings, and one-on-one meetings (described in Task 4), would be outside of this scope of work, and would require additional budget.

Task 3 Products:

Infrastructure development agreement template

Infrastructure development agreement (draft and final)

Meeting: Advisory Committee Meeting #4

Budget: \$5,040

Schedule: August

Task 4: Stakeholder involvement

I. One-on-one meetings with key stakeholders. One task that is not described in the IRFP, is stakeholder facilitation. However, we believe that this is an important component for this project, and we believe the City agrees, as part of the evaluation criteria is “experience facilitating collaborations between public and private sector partners...” We have specifically called out this fourth task on stakeholder facilitation, and make it an explicit part of our work program. We recommend two approaches to stakeholder involvement: one-on-one meetings, and an Advisory Committee. Both approaches would involve the same key stakeholders, but in different formats.

For one-on-one meetings, ECONorthwest’s key personnel would meet once with each key stakeholder, defined as any party who may be asked to fund a portion of the infrastructure costs for the Fields Property. We know that these stakeholders will include the Trust that owns the field site, and prospective developers working with the trust, and the City of Tigard. The City will identify other stakeholders who should be involved in the process, and we will conduct one-on-one meetings with them as well. At these meetings we will solicit candid opinions from all stakeholders on their role in funding infrastructure on the site.

J. Advisory Committee meetings. In addition to one-on-one meetings, we will convene a series of Advisory Committee meetings with all key stakeholders. The scope of work assumes four of these meetings, tied to key project milestones requiring input from the stakeholders who will be asked to contribute to the infrastructure finance plan. Each of these meetings would be led by the ECONorthwest Team, but meeting locations would need to be provided by the City. In each of the tasks above, we note when a meeting would occur, and how it relates to the broader scope of work. We summarize these Advisory Committee meetings below:

Meeting 1. Cost estimates

Meeting 2. Roles and responsibilities

Meeting 3. Infrastructure finance plan

Meeting 4. Infrastructure finance MOU

Task 4 Products:

Agendas, PowerPoint presentation, and meeting minutes for four meetings

Meetings:

(4) Advisory Committee Meetings

(4) One-on-one meetings

Budget: \$7,520

Schedule: April – August